FACT SHEET – 2023 U.S.-Mexico High-Level Economic Dialogue

U.S. President Joseph R. Biden and Mexican President Andrés Manuel López Obrador relaunched the U.S.-Mexico High-Level Economic Dialogue (HLED) in 2021 to advance shared strategic economic and commercial priorities. The HLED provides a platform for the United States and Mexico to leverage their strong economic integration to foster regional prosperity, expand job creation, promote investment in our people, and reduce inequality and poverty.

Our two governments hosted stakeholder outreach engagements with civil society, the private sector, academia, and non-governmental organizations to inform these efforts. Since the last HLED meeting in 2022, the two governments have implemented several of these stakeholder recommendations, to include increasing commercial cybersecurity coordination, enhancing supply chain coordination in Information and Communication Technologies (ICT) and semiconductor ecosystems, information sharing on economic opportunities, improving trade facilitation and border infrastructure, and advancing workforce development.

Both governments have continued to collaborate under the HLED across four thematic pillars, as highlighted in the specific accomplishments below:

PILLAR I: BUILDING BACK TOGETHER

The governments of the United States and Mexico have collaborated closely on initiatives to strengthen the region's supply chains and reduce the risk of their interruption in the face of possible threats in the current international context.

Strengthening supply chains and coordinating crisis management

- The United States and Mexico established an action plan on semiconductor supply chains with the following objectives: 1) supporting the integration of regional semiconductor supply chains; 2) scaling existing activities in the region by improving the investment climate, and attracting new investments in assembly, testing, and packaging (ATP); 3) promoting the diversification of investment towards activities not yet present in the region or which could have an expanded presence; 4) fostering state and local-level dialogues to promote investments in the semiconductor industry; and 5) supporting workforce development efforts in the region's semiconductor industry.
- The United States and Mexico advanced semiconductor workforce development. Twelve students were selected to participate in the Community College Initiative for Mexico 2024. This U.S.-funded pilot will send Mexican engineering students to Mesa Community College in Arizona to pursue the Automated Industrial Technology program. This action plan is intended to catalyze further academic collaboration between both countries to train specialized talent in the semiconductor and ICT sectors.

• Mexico's Secretariat of Economy launched its Ventanilla Única para Inversionistas (VUI) or One-Stop Shop for Investors to promote the VUI among business communities in North America, Europe, and Asia. It provides relevant information to help interested stakeholders make informed decisions about investing in Mexico.

The VUI consists of:

- An online platform that provides transparency and legal information to those interested in investing in Mexico from anywhere in the world.
- A step-by-step investment guide highlighting the federal government procedures that are necessary to set up an investment in Mexico, organized by sector and linked to each state's One-Stop Shop.
- An online chat option and quick forms to request information and orientation regarding the procedures related to establishing an investment in Mexico.
- In May, Mexican Secretary of Economy Buenrostro presented the Isthmus of Tehuantepec Interoceanic Corridor (CIIT) project in New York City, highlighting the bidding process for industrial parks and a package of tax incentives to promote this industrial project in the southern-southeastern region of Mexico.
- The United States and Mexico plan to convene a series of dialogues with Mexican states, municipalities, and other local stakeholders, as a mechanism to foster local partnerships with the private sector, academia, and other organizations to promote development of semiconductor supply chains.
- The U.S. Department of State intends to support a Mexican government technical delegation to visit semiconductor manufacturing facilities in the United States in late 2023 to discuss opportunities for semiconductor supply chain cooperation.
- Mexico intends to continue to work with semiconductor and printed circuit board associations to: 1) establish directories of binational companies to contribute to the development of the semiconductor and printed circuit board ecosystem; 2) review supplier mapping exercises to identify success stories and best practices; and 3) prepare a report on industry needs related to suppliers and talent.

Improving border conditions to facilitate travel and legal trade

Border Coordination

• In keeping with the border infrastructure commitments made during the July 2022 meeting between President Biden and President Lopez Obrador, the two governments restarted in-person meetings of the Binational Bridges and Border Crossings Group (BBBXG), holding meetings in San Luis, Arizona in November 2022; Las Cruces, New Mexico in March 2023; and in Washington, DC July 2023, to coordinate border infrastructure and modernization projects, including port of

entry updates at Calexico East, the modernization of San Luis, the construction of the new Douglas commercial port of entry, assessing the expansion of Santa Teresa-San Jeronimo, coordination on the new Otay Mesa East port of entry, and addressing the Laredo border infrastructure system. Additionally, the United States and Mexico resumed in-person meetings of the 21st Century Border Management Process, holding the Executive Steering Committee in Mexico City in December 2022 and technical meetings in Washington, DC in July 2023 to advance projects related to border infrastructure, facilitating lawful trade and travel across the shared border, and border security.

- Both governments reaffirmed their commitment to work together through the Unified Cargo Processing (UCP) program to expedite licit cross-border trade.
- The United States and Mexico identified the Veterans-Los Tomates International Bridge as the first "model port" pilot under the Smart Border Working Group to enhance cross-border trade and security by leveraging cutting-edge inspection technologies and joint planning.
- The U.S. and Mexican governments seek to convene state and municipal governments and private sector and civil society organizations to promote cooperation on binational transportation planning and access to more mobility options to benefit sister communities across our shared border.
- Both governments also acknowledged the need to prioritize border infrastructure modernization projects to guarantee our transnational border communities and our bilateral commercial exchanges can reap the benefits of modern border ports of entry as soon as possible.

Partnership for the facilitation of trade in medical equipment

The United States and Mexico continued to advance the Medical Device Regulatory • Convergence Project (MDRC), a joint effort under the Standards Alliance in collaboration with Mexico's Federal Commission for the Protection Against Sanitary Risks (COFEPRIS) to support increased alignment of Mexico's medical device regulatory system with international standards to streamline processes and reliance on FDA decisions. Between 2021-23, the MDRC project trained more than 1,400 participants from the Americas Region on Good Regulatory Practices (GRPs), utilization of international standards, conformity assessment of medical devices and software as a medical device, the Medical Device Single Audit Program (MDSAP) and standards on quality management systems of medical devices. Moreover, COFEPRIS has formally submitted an application to become an affiliate member of the MDSAP. Concurrently, COFEPRIS is focusing on enhancing its regulations to facilitate the acceptance of MDSAP audits conducted by accredited Auditing Organizations. This dual approach aims to optimize resources allocation and alleviate the regulatory burden on the manufacturers of medical devices.

PILLAR II: PROMOTING SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT IN SOUTHERN MEXICO AND CENTRAL AMERICA

The United States and Mexico are working together to improve the livelihoods of the population of southern Mexico and northern Central America to mitigate the root causes of irregular migration through the creation of jobs and opportunities in the region.

- The United States and Mexico are partnering to address the root causes of irregular migration in southern Mexico and northern Central America, as set forth in June 2021 at the signing in Mexico City of a Memorandum of Understanding on development cooperation in Mexico City, witnessed by Mexican President Lopez Obrador and U.S. Vice President Harris. The Mexican Agency for International Development Cooperation (AMEXCID) and the United States Agency for International Development (USAID) then launched Sembrando Oportunidades, a strategic collaboration, in December 2021.
- Under President Biden's Root Causes Strategy, USAID helped create more than 90,000 jobs, generating more than \$320 million in sales throughout northern Central America. USAID agriculture and nutrition programs reached more than 104,000 individuals. USAID has also reached more than 465,000 youth by supporting and improving primary and secondary education in areas of high out-migration in northern Central America.
- This collaboration was made possible because of the successful results of AMEXCID's flagship projects, "Sembrando Vida" and "Jóvenes Construyendo el Futuro". The projects implemented in El Salvador and Honduras have reached a total of 40,000 beneficiaries and created an additional 40,000 indirect jobs in both countries. This represents an investment of \$82 million by the Government of Mexico, which includes the funding for implementation in Guatemala, where AMEXCID aims to benefit an additional 14,000 youth and farmers, generating at least 14,000 indirect jobs.
- The Mexican government is set to launch the Sembrando Vida project in Guatemala during the second half of 2023. This project aims to benefit farmers, help the participants with market access, and promote the development of agroforestry systems. Consequently, USAID and AMEXCID intend to coordinate to implement Sembrando Oportunidades in Guatemala to foster collaboration in the agricultural sector, beginning in the autumn of 2023 with training courses for extension workers.
- USAID and AMEXCID coordinate on a daily basis. USAID assistance complements AMEXCID assistance by helping AMEXCID's youth participants with training and education that can lead them to find employment, as well as provide technical assistance to link AMEXCID's farmer participants to markets that pay higher prices. USAID and AMEXCID are jointly assisting 2,400 individuals, including women, farmers, and young people, in El Salvador and Honduras.

- In southern Mexico, USAID is working closely with state and municipal governments, small rural and indigenous communities, and businesses to create jobs, sales, investment, and positive environmental impacts. USAID is helping the coffee, cacao, honey, and ecotourism industries in southern Mexico to grow and benefit more people. From 2021 and 2023, USAID programs in southern Mexico mobilized nearly \$30 million, benefitting more than 48,000 people. USAID is on track to continue to increase impact and generate more than \$250 million in sales and investment.
- The United States and Mexico supported the establishment of a coordination mechanism among state governors in south and southeast Mexico to promote sustainable development in the region. The mechanism aims to foster greater collaboration among the states on projects such as the creation of a regional network of Small Business Development Centers (SBDCs) that will support the job creation necessary to absorb migratory flows.
- These projects, grounded in strong collaboration between governments and organizations, have the potential to bring about positive change, empower communities, and foster sustainable development in their respective regions.

PILLAR III: SECURING THE TOOLS FOR FUTURE PROSPERITY

The United States and Mexico strengthened cooperation efforts in the implementation of new technologies in telecommunications and ICT to mitigate risks related to these sectors.

 Mexico and the United States exchanged best practices in the implementation of new technologies in telecommunications and ICT infrastructure by organizing a forum on 5G, ICT investment and trade, and next-generation ICT networks in August 2022 and by promoting the National Institute of Standards and Technology (NIST) Cybersecurity Framework, including its Spanish translation, to address and manage commercial cyber risk. With this cooperation, both countries improved their understanding of mutual regulations and approaches.

PILLAR IV: INVESTING IN OUR PEOPLE

The United States and Mexico promoted measures to develop and prepare the workforce to meet the needs that current strategic industries demand.

Inclusive Micro- Small- Medium- Enterprise (MSME) Development

- In August 2023, Mexico and the United States decided to update the commitments established in the Inclusive MSME Development Work Plan. This update is designed to promote the digitalization of MSMEs in both countries. This is a second phase of this initiative, after the original objective, which was post-COVID recovery.
- To this end, a joint work plan is being developed to promote digital capacity of MSMEs through training, technical assistance, and guidance so that they can adopt

new digital tools and improve their productive processes, increase their competitiveness and further their commercial integration in North America.

• To achieve this objective, both governments have worked together to implement policies focused on digital inclusion.

Workforce development in strategic industries

- Mexico held a Summit on Higher Education and High-Tech Industry in Mexico City in May 2023 with the participation of governments, industry, and academia from both countries. During the Summit, the Secretariat of Economy presented the dossier "Mexican Talent for Economic Growth and Nearshoring" showcasing the availability of technical and specialized talent in Mexico for strategic industries such as semiconductors, automotive, electronics, medical devices, and agri-food. This document is available at the following link: https://www.gob.mx/cms/uploads/attachment/file/828154/talento-mexicano_esp.pdf https://www.gob.mx/cms/uploads/attachment/file/828153/talento-mexicano_ing.pdf https://www.gob.mx/cms/uploads/attachment/file/828153/talento-mexicano_ing.pdf
- Mexico organized a Dual Education Forum with the American Chamber of Commerce (AmCham) in Mexico City in June 2023, where Mexico's Secretariat of Public Education (SEP) introduced dual education initiatives for middle and higher education. Subsequently, Mexican paint and coating companies, as well as automotive sector companies, began working with SEP to design new educational programs focused on industry-specific skills to prepare students for work in these sectors.
- The United States and Mexico hosted a Virtual Technical Education Dialogue in June 2023, where experts and educational decision-makers from both countries learned about the organization, implementation, and management of technical education systems in each country.
- The United States and Mexico identified educational initiatives implemented between U.S. companies and Mexican universities to develop talent via training in the semiconductor, electromobility, energy transition, pharmaceutical, and medical device industries.
- In August 2023, Arizona State University, through its Global Launch program, worked with Mexico's Secretariat of Public Education to unveil the course "English for the Semiconductor Industry." This course is an eight-week program focused on building English for specific purposes in the semiconductor industry. The course is available via the National Institute of Technology of Mexico's (TecNM) online platform for students at the post-secondary level.

- The State Department sponsored a Technical Delegation on Semiconductor Workforce Development in August 2023 to bring key U.S. experts from the academia, private sector, and government to Mexico City, Guadalajara, and Ciudad Juarez. The delegation shared expertise with local partners on developing curricula to enhance training of an expanded semiconductor workforce.
- Both nations are crafting a comprehensive glossary defining and comparing professional certifications and licenses in both countries. This joint endeavor will be a valuable resource for businesses in search of certified talent and the creation of qualification frameworks.
- The United States and Mexico plan to host a Summit on Education and High-Technology in North America during the first quarter of 2024. The Summit intends to bring together educational institutions, companies, and government representatives from Mexico, the United States, and Canada to continue sharing best practices for training, attraction, and retention of talent in the automotive, medical devices, and semiconductor industries.